



[Docket No. FR-7062-N-03]

Privacy Act of 1974; System of Records

AGENCY: Office of the Assistant Secretary for Housing-Federal Housing Commissioner, HUD.

ACTION: Notice of a rescindment of a system of record.

SUMMARY: HUD staff and lenders use the Single Family Neighborhood Watch Early Warning (SFNW) system to monitor default and claim rates on Fair Housing Administration (FHA) insured loans originated, underwritten, and serviced by FHA approved mortgagees. Pursuant to the provisions of the Privacy Act of 1974, as amended, the Department of the Housing and Urban Development (HUD) is issuing a public notice of its intent to rescind the Deputy Assistant Secretary for Single Family Housing, Office of Lender Activities and Program Compliance, Privacy Act system of record, HUD/HS-16: Single Family Neighborhood Watch Early Warning System'' (SFNW), after further evaluation determined the system does not qualify as a Privacy Act System of Record.

DATES: This System of Records rescindment is effective upon publication. The specific date for when this system ceased to be a Privacy Act System of Records is 07/30/2021.

ADDRESSES: You may submit comments, identified by docket number and title, by any of the following methods:

Federal e-Rulemaking Portal: <http://www.regulations.gov>. Follow the instructions provided on that site to submit comments electronically.

Fax: 202-619-8365.

Email: www.privacy@hud.gov.

Mail: Attention: Privacy Office; LaDonne White, Chief Privacy Officer; The Executive Secretariat; 451 Seventh Street, SW, Room 10139; Washington, DC 20410-0001.

Instructions: All submissions received must include the agency name and docket number for this rulemaking. All comments received will be posted without change to <http://www.regulations.gov>, including any personal information provided.

Docket: For access to the docket to read background documents or comments received go to <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT: Ladonne White, Chief Privacy Officer, The Privacy Office; 451 Seventh Street, SW, Room 10139; Washington, DC 20410-0001; telephone number 202-708-3054 (this is not a toll-free number). Individuals who are hearing- or speech-impaired may access this telephone number via TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

SUPPLEMENTARY INFORMATION: The Single Family Neighborhood Watch Early Warning System was evaluated and identified for rescindment from the Single Family Housing, Office of Lender Activities and Program Compliance Privacy Act systems of records inventory. The Single Family Neighborhood Watch Early Warning System (Neighborhood Watch) is used to monitor default and claim rates on FHA insured loans originated, underwritten and serviced by FHA that is reported to FHA by its mortgage servicers. The system provides a critical component for FHA's risk management strategy by allowing for in depth analysis to be performed on lending institution performance based on trends in the number of defaults and claims over time, among geographic areas, and across product types. Neighborhood Watch also allows for analysis to be carried out on the nature of the delinquencies that are reported to FHA by its servicers, the period of the mortgage lifecycle in which those delinquencies took place and the success rate of loss mitigation actions in bringing mortgagors current on their loans. Both of these capabilities better position FHA to manage current and future risk to its insurance funds by providing the means for evaluating the causes for delinquencies. This information assists lenders improve their origination, underwriting, and servicing practices, and helps prevent unnecessary foreclosures and insurance claims. The SORN retrieval practice was evaluated, and it was

determined that records within the system are not retrieved by an individual's personal unique identifier that qualifies for as SORN under the Privacy Act. The Department's FHA Case Number and other retrieval practices mentioned in the existing SORN does not constitute a retrieval for purpose of the Privacy Act. Records that are used for reviewing the default and claim rates of mortgages originated, underwritten, and serviced by FHA-approved lending institutions will continue to be maintained by SFNW.

SYSTEM NAME AND NUMBER: HUD/HS-16: Single Family Neighborhood Watch Early Warning System'' (SFNW)

HISTORY:

HUD/HS-16: Single Family Neighborhood Watch Early Warning System (December 19, 2003)

Ladonne White,

Departmental Privacy Officer.

[Billing Code:4210-67]

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